

**MINUTES
REGULAR MEETING
UTILITY SERVICE BOARD
MARCH 15, 2010**

The Regular Meeting of the Utility Service Board of the City of Jasper, Indiana, was held in the Council Chambers of City Hall in Jasper at 7:00 PM on Monday, March 15, 2010.

The meeting was called to order by Chairman Wayne Schuetter.

UPON CALL OF THE ROLL, THE FOLLOWING WERE PRESENT:

Wayne Schuetter – Chairman
Rick Stradtner – Vice Chairman
Mike Harder – Secretary
Doug Schulte – Water Commissioner
Alex Emmons – Wastewater Commissioner
Greg A. Krodel – Gas Commissioner
Ken Sendelweck – Electric Commissioner

ALSO PRESENT:

Jerry Schitter – Electric Distribution Manager
Windell Toby – Electric Generation Manager
Michael A. Oeding – Gas & Water Manager
Ed Hollinden – Wastewater Manager
Bud Hauersperger – General Manager
Sandy Hemmerlein – City Attorney

PLEDGE OF ALLEGIANCE (A-20)

Chairman Wayne Schuetter led the Pledge of Allegiance.

QUOTE OPENING: SALE OF SURPLUS TRANSFORMERS – ELEC. DIST. (A-26)

Sandy Hemmerlein stated a notice was put in the Herald advertising the sale of these transformers per State law. She opened the quotes and read them aloud as follows:

1. Jerry's Electric	\$4.77	per kva
Colman, SD	\$5,545.12	total
2. Soloman Corporation	\$5.60	per kva
Soloman, KS	\$6,510.00	total
3. T & R Electric Supply Company, Inc.	\$3,307.50	lot of 15
Colman, SD	\$1,819.13	lot of 16
	\$5,126.63	total

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|--|-----------------------------------|-------|
| 4. Utility Transformer Brokers
Springville, UT | \$4,301.25 | total |
| 5. Environmental Protection Services
Wheeling, WV | \$1,453.00 | total |
| 6. Clean Harbors Environmental Services
Twinsburg, OH | \$4,125.00
(pay Clean Harbors) | |

Alex Emmons made a motion for Jerry Schitter to take the quotes under advisement and report back. Ken Sendelweck seconded the motion. Motion approved, 7-0.

PUBLIC BUSINESS: VACATE PUBLIC UTILITY & DRAINAGE EASEMENT (A-139)

Ken Brosmer from Brosmer Land Surveying was present on behalf of Allan and Judy Holweger, developers of Brentwood Subdivision. A few years ago Holweger sold a whole lot and a half of a lot and now he wants to sell another whole lot and the other half lot. The problem is there is an existing storm sewer along the property line between the half lot and full lot.

The Holweger's would like to vacate the existing public utility and drainage easement and re-route the storm sewer to the new property line and offer a new 20 foot public utility and drainage easement. Currently storm sewer is the only utility in the easement. The other utility managers did not see any problem with vacating the old easement and accepting the new easement.

Rick Stradtner made a motion to recommend to the Common Council the vacation of the platted easement and acceptance of the new easement. Doug Schulte seconded the motion. Motion approved, 7-0.

APPROVAL OF MINUTES (A-259)

Chairman Wayne Schuetter presented the minutes of the February 15, 2010, Regular Meeting and there being no corrections or amendments, asked for a motion to approve. Greg Krodel made a motion to approve the minutes of the February Regular meeting as presented. Mike Harder seconded the motion. Motion approved, 7-0.

Chairman Wayne Schuetter then presented the minutes of the February 26, 2010, Special Meeting and there being no corrections or amendments, asked for a motion to approve. Ken Sendelweck made a motion to approve the minutes of the February 26th Special meeting as presented. Doug Schulte seconded the motion. Motion approved, 7-0.

BID RESULTS & RECOMMENDATION ON INFRARED CAMERA (A-278)

Jerry Schitter stated that the low quote opened last month from HD Supply for \$4,800 did not meet the specifications. They quoted on the wrong camera. Schitter said he wants to throw out their quote and accept the second lowest quote from Power Line Supply for \$7,697.08. Their camera met the requested specifications.

Ken Sendelweck made a motion to accept the second lowest quote from Power Line Supply for \$7,697.08 for the infrared camera. Alex Emmons seconded the motion. Motion approved, 7-0.

RESOLUTION CHANGE ADDING PSCI TO TRENCHING CHARGES (A-302)

Schitter said he has a resolution change to add PSCI to the trenching charges. When the Electric Department trenches to a home or subdivision, they allow phone or cable companies to share the trench and put their lines in the same trench. A fee of \$0.50 per foot with a minimum charge of \$50 is charged. Currently, only Verizon and Insight are listed in the Resolution, allowing them to share the trench. PSCI contacted Schitter and wanted to be added to the list. PSCI has future plans to offer fiber optic to the home.

Sandy Hemmerlein stated this is Resolution #USB 2010-6. Ed Hollinden also has some septic dumping charges to alter in this Resolution so Hemmerlein asked to wait until later in the meeting to approve this Resolution.

RESOLUTION FOR ELECTRIC LOAD PROFILER SERVICE CHARGES (A-340)

Schitter informed the Board that Erick Rheam with Automated Energy, Inc. (AEI) gave a presentation on a load profiling software for large commercial and industrial customers to monitor their loads on a 15 minute basis. This would allow them to analyze their loads and make corrections where needed.

AEI was then invited to IMPA to give a presentation. There was a lot of interest after the presentation so IMPA negotiated the pricing with AEI so each individual utility did not have to do it themselves.

AEI gave another presentation to commercial and industrial customers in Jasper. Several businesses are interested in this software. AEI had to come through the Electric Utility as they have to get through our meters to get the data to each customer. So the Electric Utility will provide this service to our customers and pass along the charges from AEI to the customers.

The cost from AEI is \$27 per month per meter, with a one-time set-up charge of \$100. The City would require a 12 month contract from each customer interested. The Electric Department would incur some costs of installing a read-only meter, next to the revenue meter. These meters cost between \$1,200 and \$1,500 and would remain the property of the Electric Department. These meters have a useful life of 20 to 25 years, so they can be used again if a customer opts out of the program.

Schitter recommends trying to recoup these costs over time and charging the customer \$35 per month per meter, instead of the \$27 charged by AEI.

Sandy Hemmerlein stated this would be Resolution #USB 2010-4, recommending to the Common Council to add the \$35 per month per meter charge and the one-time set-up charge of \$100 to the Non-Recurring Charges Ordinance.

If this Resolution and Ordinance are approved, a contract would be drafted for the City's customers to participate in this program and set the charges. The charges would then be added to their monthly bills. A service agreement between AEI and the City of Jasper also needs to be

approved. The term for this agreement is 3 years and meters can be added or removed at any time.

Schitter said there is a big push in the industry to cut back loads to try and slow down the building of power plants and is a part of the demand-response initiative. It gives the City's big customers a chance to reduce their loads without having to spend a lot of money upfront.

Mike Harder made a motion to approve Resolution #USB 2010-4 recommending the Common Council make changes to the Non-Recurring Charges Ordinance to add charges for the Load Profiling Services. Rick Stradtner seconded the motion. Motion approved, 7-0.

Doug Schulte made a motion to approve the Service Agreement with AEI, subject to the Common Council passing the changes to the Non-Recurring Charges Ordinance. Mike Harder seconded the motion. Motion approved, 7-0.

POWER PLANT TOURS (A-483)

Windell Toby stated that 3 companies have toured the Power Plant recently and are interested in the Power Plant project. All the companies liked what they saw.

ELECTRIC PLANNING COMMITTEE REPORT (A-487)

Ken Sendelweck, Chairman of the Electric Planning Committee, asked Toby if the reduced hours were working out okay at the Power Plant. Toby stated that it is working fine.

Sendelweck stated the committee did not meet during the past month. The Committee is waiting for the due date of April 5th for the Requests for Expression of Interest to be turned in. A Committee meeting will most likely be scheduled at the beginning of April.

SHELL AGENCY AUTHORITY AGREEMENT WITH UGM (A-512)

Mike Oeding stated that Shell Oil has requested an Agency Authority Agreement be signed authorizing UGM to be the City's agent to purchase and transport the gas on the Texas Eastern pipeline.

Alex Emmons made a motion to approve the Agency Authority Agreement with Shell Oil, authorizing UGM to be the City's agent on the Texas Eastern pipeline. Rick Stradtner seconded the motion. Motion approved, 7-0.

ANR & TETCO CONTRACT EXTENSIONS WITH UGM (A-523)

Oeding informed the Board that he has the ANR and TETCO contract extensions with UGM. These extensions will be for 3 years on both lines. Sandy Hemmerlein stated that these are just amendments to the original agreements. These extensions would run through August 31, 2013. There are two separate amendments, one for ANR and one for TETCO.

Ken Sendelweck made a motion to approve the contract extensions with UGM on the ANR and TETCO pipelines. Doug Schulte seconded the motion. Motion approved, 7-0.

GAS UTILITIES ALLIANCE MEETING & INSURANCE (A-553)

Oeding stated he recently attended a GUA meeting and there was discussion about raising the rate for membership, which gets the Gas Utility excess liability insurance. Currently the cost is \$2 per meter for \$16 million of coverage. This \$2 rate has been in effect since 1996. This rate could possibly increase next year to \$2.50 or \$3 per meter. Oeding says the City has approximately 4,500 meters in service.

GAS PLANNING COMMITTEE REPORT (A-575)

Greg Krodel, Chairman of the Gas Planning Committee, stated the committee met on March 11, 2010 to discuss the possible need for a gas rate study. The last rate study was done in 2003. The reason for another rate study is that the Utility has been maintaining a positive cash flow, but with the help of monthly transfers from the depreciation and computer funds to remain positive. The concern is that the positive cash position has dropped in recent months to a point that a rate study appears to be necessary.

The Gas Committee is recommending a rate study be done by London Witte for a fee not to exceed \$8,000. A proposal was also obtained from Umbaugh to do the rate study for a fee not to exceed \$13,000.

Mike Harder made a motion to approve a rate study be done by London Witte for a fee not to exceed \$8,000. Doug Schulte seconded the motion. Motion approved, 7-0.

Krodel said the second item discussed was to recommend the transfer of funds from the Self-Insurance Reserve Fund to the Operating and Maintenance Fund, if needed, to keep a positive cash balance. This fund currently has a balance that is capped at \$200,000. If there were draws made against this fund, the balance would be built back up to \$200,000 when cash is available. This is simply a proactive measure. This would need to be approved through Resolution #USB 2010-5.

Rick Stradtner made a motion to approve Resolution #USB 2010-5. Alex Emmons seconded the motion. Motion approved, 7-0.

WATER PLANNING COMMITTEE REPORT (A-662)

Doug Schulte, Chairman of the Water Planning Committee, stated the committee did not meet during the past month.

GRANT/INCOME SURVEY INFORMATION (A-664)

Ed Hollinden said the Wastewater Department is working with Indiana 15 Regional Planning Commission on getting some grant funding to improve the wastewater system in the Skyline Subdivision.

In order to apply for the grant funds, an income survey needed to be done, which is being done right now. There are 151 residents in this project area who were given the survey. According to the grant, 110 are needed back. So far 71 have been returned. More attempts will be made until the needed 110 responses are received.

If funding is received, it could be used for relining of pipes or replacement of pipes. It is all clay pipes in this area.

RAISE SEPTIC DUMPING FEE (A-680)

Hollinden said he would like to raise the septic dumping fee from \$0.02 per gallon to \$0.05 per gallon. The last time this fee was raised was 1994. The average charge in the State is \$0.05 per gallon.

This is part of the Resolution discussed earlier about the Electric Department's trenching charges. Both of the trenching changes and septic dumping charges will be amended under Resolution #USB 2010-6.

Ken Sendelweck made a motion to approve Resolution #USB 2010-6, adding PSCI to the trenching charges and raising the septic dumping fee to \$0.05 per gallon. Mike Harder seconded the motion. Motion approved, 7-0.

WASTEWATER PLANNING COMMITTEE REPORT (A-705)

Alex Emmons, Chairman of the Wastewater Committee, stated the committee did not meet during the past month.

BEAVER CREEK LAKE DAM PROJECT UPDATE (A-707)

Bud Hauersperger stated that Christopher Burke Engineering is working on the environmental and engineering report right now for the grant application. Brosmer Land Surveying finished with the survey work and has turned it in to Christopher Burke Engineering. The project is currently on track.

MISCANTHUS TEST PLOT AGREEMENT (A-714)

Hauersperger stated he has been approached by Mendel Biotechnologies about setting up a test plot or demonstration plot in Jasper for Miscanthus grass. They asked if the City had any land available. Hauersperger talked to the Park Department about the five acres to the north of the golf course. They are willing to let Mendel use this property if there are guarantees that the crop will not become invasive and spread onto the golf course.

Hauersperger said he is still working on an agreement and a lot of details need to be worked out, as the one he received is geared more to a farmer, where they want the farmer to provide weed killer, and do a lot of the work.

Sandy Hemmerlein asked if they had contacted any farmers yet. She asked if it would be easier if they just worked directly with a farmer, instead of the City.

The Board expressed concern about the City getting involved with a test plot. Sendelweck said we should wait for the REI's to come back to see if Miscanthus grass is even an option the City would want to consider for the Power Plant. He feels this would be rushing into something that we know very little about. Chairman Schuetter has doubts that Mendel will agree to any changes

in their agreement after previous discussions with them. He feels that maybe Mendel should just contact the farming community or Purdue Farms in Dubois for the test plot.

Hauersperger said he would like to try and come up with an agreement he is comfortable with first before deciding what to do. Hauersperger will report back at the next meeting with what has transpired.

POWER PLANT REQUEST FOR EXPRESSION OF INTEREST UPDATE (A2-196)

Hauersperger said as mentioned earlier he is getting a lot of responses and interest in the REI's.

BUSINESS OFFICE SERVER QUOTE FOR APPROVAL (A2-199)

Hauersperger handed out a copy of the new quote from Eck-Mundy on the file server for the Business Office software. The original quote was for \$38,309. After last month's meeting, Eck-Mundy did some more research and found that if the server was purchased directly from Eck-Mundy's dealer, they could get a government discount. It saved the City over \$2,000. The new quote amount is \$36,261.

Alex Emmons made a motion to approve the purchase of the Business Office server for \$36,261. Rick Stradtner seconded the motion. Motion approved, 7-0.

FINANCE COMMITTEE REPORT & PRESENTATION OF CLAIM DOCKET (A2-250)

Mike Harder reported the Finance Committee had met and reviewed the claims on the Claim Docket.

The Finance Committee recommended approval of the claims as presented.

Greg Krodel made a motion to approve the claims as presented. Doug Schulte seconded the motion. Motion approved, 7-0.

QUOTE OPENING: SALE OF TRANSFORMERS, CONT'D. (A2-262)

Jerry Schitter stated that after reviewing the quotes he noticed that Clean Harbors actually had a quote to pay them a total \$6,396.50 to dispose of the transformers. There was a second sheet with a quote for another portion of the transformers.

Schitter also said that Soloman Corporation had the highest quote at \$6,510 and we could meet all of their specifications for loading, etc. Schitter recommended accepting their quote.

Ken Sendelweck made a motion to accept the quote from Soloman Corporation for \$6,510 for the sale of surplus transformers. Greg Krodel seconded the motion. Motion approved, 7-0.

PURCHASING POLICY (A2-285)

Sandy Hemmerlein stated that as a refresher the Utilities are not required to follow State law for capital purchases, only public works projects. Hemmerlein said many years ago the Utility Service Board created a Resolution outlining a purchasing policy for capital purchases. It was

last updated in 2007. Hemmerlein made a copy of this policy for all Board members as a refresher. She also invited anyone to make suggestions for changes or updating if they felt the need to.

MAYOR'S COMMENTS (A2-341)

The Mayor reminded everyone to fill out their census forms and return them.

There being no further business to come before the Board, the meeting was adjourned at 8:20 PM upon motion by Alex Emmons and second by Rick Stradtner. Motion approved, 7-0.

The minutes were hereby approved_____ with _____without corrections this _____ day of _____, 2010.

Attest: _____
Secretary Chairman